

MONTANA LEGISLATIVE HISTORY

Chapter 443 19 83

Bill H _____ S 166 Original bill & history C

H. Committee on State Administration

Hearing Date(s) Mar 14 ☒ C

Mar 23 ☒ C

_____ ☐ C

_____ ☐ C

Date Out Mar 23 ☒ C

S. Committee on State Administration

Hearing Date(s) Jan 27 ☒ C

Feb 10 ☒ C

Feb 11 ☒ C

_____ ☐ C

Feb 11 ☒ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

PUBLIC CONTRACT

INTRODUCED: 01/15/83
REFERRED TO COMMITTEE ON TAXATION: 01/15/83
HEARING: 1/27/83
REPORT: 1/28/83, DO PASS
2ND READING: 02/01/83 AYES: 48; NAYS: 0
3RD READING: 02/03/83 AYES: 50; NAYS: 0

TRANSMITTED TO HOUSE: 2/3/83
REFERRED TO COMMITTEE ON TAXATION: 02/04/83
HEARING: 3/4/83
REPORT: 03/05/83, BE CONCURRED IN
2ND READING: 03/07/83, BE CONCURRED IN AYES: 97; NAYS: 0
3RD READING: 03/08/83, BE CONCURRED IN AYES: 99; NAYS: 0

RETURNED TO SENATE: 3/8/83

TRANSMITTED TO GOVERNOR: 03/18/83
SIGNED: 03/22/83, CHAPTER 152

SB 164 -- SHAW, LEE -- TO REQUIRE ALL LEASES OF UNDEVELOPED LAND TO PROVIDE FOR PAYMENT TO THE LESSEE OF MONEY PAID TO THE LESSOR FOR THE RIGHT TO CONDUCT GEOPHYSICAL EXPLORATION ON THE LEASED PROPERTY AND MONEY PAID TO THE LESSOR FOR DAMAGE TO THE LEASEHOLD INTEREST BY GEOPHYSICAL EXPLORATION; ... AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

INTRODUCED: 01/15/83
REFERRED TO COMMITTEE ON NATURAL RESOURCES: 01/15/83
HEARING: 1/28/83
REPORT: 01/31/83, DO NOT PASS. REPORT ADOPTED.
BILL KILLED.

SB 165 -- LEE, BLAYLOCK -- TO PROHIBIT THE USE OF SOCIAL SECURITY NUMBERS FOR ISSUING DRIVERS' LICENSES.

INTRODUCED: 01/15/83
REFERRED TO COMMITTEE ON JUDICIARY: 01/15/83
HEARING: 1/26/83
DIED IN COMMITTEE

SB 166 -- ECK, VAN VALKENBURG, BOYLAN, ET AL. -- TO INCREASE THE AMOUNT A RETIRED MEMBER OF THE TEACHERS' RETIREMENT SYSTEM MAY EARN WITHOUT LOSS OF RETIREMENT BENEFITS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

INTRODUCED: 01/17/83
REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES: 01/17/83
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 01/22/83
HEARING: 1/27/83
REPORT: 02/14/83, DO PASS
2ND READING: 2/16/83 AYES: 40; NAYS: 7
3RD READING: 02/18/83 AYES: 46; NAYS: 2

TRANSMITTED TO HOUSE: 3/1/83
REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 03/01/83
HEARING: 3/14/83
REPORT: 03/23/83, BE CONCURRED IN, AS AMENDED

2ND READING: 03/26/83, BE CONCURRED IN AYES: 56; NAYS: 10
3RD READING: 03/28/83, BE CONCURRED IN AYES: 90; NAYS: 7

RETURNED TO SENATE WITH AMENDMENTS: 03/28/83
2ND READING: 03/30/83 AYES: 49; NAYS: 0
3RD READING: 03/31/83 AYES: 49; NAYS: 0

TRANSMITTED TO GOVERNOR: 04/08/83
SIGNED: 04/12/83, CHAPTER 443

SB 167 -- DANIELS, TURNAGE -- TO EXTEND AND AMEND THE BOND VALIDATING ACT; ... AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.
BY REQUEST OF: THE DEPARTMENT OF ADMINISTRATION

INTRODUCED: 01/17/83
REFERRED TO COMMITTEE ON FINANCE & CLAIMS: 01/17/83
HEARING: 1/25/83
REPORT: 01/26/83, DO PASS
2ND READING: 01/28/83 AYES: 46; NAYS: 0
3RD READING: 01/31/83 AYES: 49; NAYS: 0

TRANSMITTED TO HOUSE: 1/31/83
REFERRED TO COMMITTEE ON APPROPRIATIONS: 02/01/83
HEARING: 4/7/83
REPORT: 04/07/83, BE CONCURRED IN
2ND READING: 04/08/83, BE CONCURRED IN AYES: 92; NAYS: 0
3RD READING: 04/11/83, BE CONCURRED IN AYES: 79; NAYS: 0

RETURNED TO SENATE: 4/11/83

TRANSMITTED TO GOVERNOR: 04/15/83
SIGNED: 04/19/83, CHAPTER 576

SB 168 -- VAN VALKENBURG -- REVISING THE MONTANA YOUTH COURT ACT CONCERNING 6-MONTH COMMITMENTS TO THE DEPARTMENT OF INSTITUTIONS AND THE COMMITMENT REVOCATION PROCESS
....
BY REQUEST OF: THE DEPARTMENT OF INSTITUTIONS

INTRODUCED: 01/17/83
REFERRED TO COMMITTEE ON JUDICIARY: 01/17/83
HEARING: 1/27/83
REPORT: 02/04/83, DO PASS, AS AMENDED
2ND READING: 02/08/83 AYES: 50; NAYS: 0
3RD READING: 02/10/83 AYES: 48; NAYS: 0

TRANSMITTED TO HOUSE: 2/10/83
REFERRED TO COMMITTEE ON JUDICIARY: 02/11/83
HEARING: 3/4/83
REPORT: 03/05/83, BE CONCURRED IN
2ND READING: 03/07/83, BE CONCURRED IN AYES: 90; NAYS: 3
3RD READING: 03/08/83, BE CONCURRED IN AYES: 99; NAYS: 0

RETURNED TO SENATE: 3/8/83

TRANSMITTED TO GOVERNOR: 03/15/83
SIGNED: 03/18/83, CHAPTER 129

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

January 27, 1983

The meeting of the State Administration Committee was called to order by Chairman Pete Story on January 27, 1983 at 10:30 a.m. in room 331 of the State Capitol, Helena, Montana.

ROLL CALL: Roll was called and all members were present.

The meeting was opened to hear SENATE BILL 166.

SENATE BILL NO. 166: "AN ACT AMENDING SECTION 19-4-804, MCA, TO INCREASE THE AMOUNT A RETIRED MEMBER OF THE TEACHERS' RETIREMENT SYSTEM MAY EARN WITHOUT LOSS OF RETIREMENT BENEFITS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

SENATOR ECK presented Senate Bill 166 stating that this is a simple bill but has a lot of input for our people in our universities and public education systems. This bill allows a person who is retired to teach one-third instead of one-fourth time, the way the law reads now, without having benefits reduced and also provides a more fair way of paying those employees. Rather than paying them the same salaries they were at at the time they retired, the salary they receive will increase at a normal rate the school or university uses or they have an alternative method of figuring the increase based on the median of the average final compensation for members who retired in the preceeding fiscal year. It means much to the teacher. The bill was proposed and most of the work done by Jim Cox, professor of chemistry at the University of Montana. Senator Eck stated that she was fearful of the impact it would have on teachers retirement but found the impacts were not there. Senator Eck called on Irving Dayton, Commissioner of Higher Education to speak.

PROPOSERS:

IRVING DAYTON, Commissioner of Higher Education, stated that the motivation comes from the fact that faculty members are delaying retiring because of inflation and many want to remain active at a reduced level. It does allow the faculty member to move ahead as he would have if he hadn't retired. The institution gains in two ways; one is, that the salary burden on the institution is reduced because the replacement for these people will be younger and get a lower salary, but it will also give some flexibility. It will get younger people into the institution which we need because we are all growing older together in the institutions. It will be beneficial to

STATE ADMINISTRATION

January 27, 1983

Page 2

the public schools because it can be used to alleviate the sting of reduction of force situation by making it possible to carry some people at a part time rate and pay them in a fashion comparable.

Mr. Dayton stated that the idea came from the faculty and has been studied extensively by the presidents of the universities and by the board of regents and comes to you with the full endorsement of both of those groups.

JIM COX, Professor of the University of Montana, testified from a prepared statement shown as EXHIBIT 1. A Representative case was also presented, shown as EXHIBIT 2. The Montana Legislature is asked to pass an amendment to the Montana statute which limits the post-retirement service of teachers in the State's Teachers Retirement System to which all elementary, secondary and college teachers belong. The AMENDMENT proposed is attached as EXHIBIT 3. Mr. Cox also presented the committee with handouts showing the partial retirement programs in Colorado and Wisconsin, shown as EXHIBITS 4 and 5.

DAVE SEXTON, representing the Montana Education Association, stated that this is a bill that will provide economic and personal opportunities to our professional people without any cost, in fact, it would reduce cost. He urged passage of this bill.

TERRY MINOW, representing the Montana Federation of Teachers, stated that they also support this bill. EXHIBIT 6.

NEIL BUCKLER, President of the University of Montana, stated that his comments would be brief to say that the University of Montana endorses this proposal and is convinced that it will provide them with the flexibility that their institution and sister institutions need in the years ahead. EXHIBIT 7.

BOB JOHNSON, Administrator of the Teachers Retirement System, stated that the Teachers Retirement System is in support of this proposal. He called attention to the committee and apologized for not having a prepared amendment. He proposed on lines 22, 23, 24 and 25 where it says "plus normal annual salary increases for the school or university unit", note that we do have members in county government, in state agencies and institutions. It should apply also to them.

CHARLES BRYAN, President of the University Teachers Union, stated that they endorse this one hundred percent. EXHIBIT 8.

STATE ADMINISTRATION
January 27, 1983
Page 3

DENNIS WAGNER, representing the Associated Students of Montana, spoke as a proponent on SB 166. He submitted written testimony shown as EXHIBIT 9.

JULIE FOSBENDER, representing the associated students of the University of Montana, stated that they would like to go on record supporting SB 166 for all the aforementioned reasons.

There were no other proponents and no opponents.

QUESTIONS of the Committee:

SENATOR MARBUT asked why the effective date on passage of approval.

SENATOR STORY stated that they want this to be on July 1st and otherwise it is October something.

It was asked why both dates shouldn't be July 1st.

BOB JOHNSON stated that they want both dates to be July 1st.

SENATOR TOWE asked the meaning of "superannuation".

SENATOR ECK stated that it means "pension".

SENATOR TOWE asked since this does not affect the money the retired teacher would receive and only affects the amount he can earn if he goes back to work, why is there a limitation of 1/4 or 1/3.

SENATOR ECK said this is put on before, because the legislature wanted it there. They want to be sure the teacher would not get retirement pay and salary too.

The meeting closed on SENATE BILL NO. 166. No action was taken.

The meeting was now opened for the hearing of SENATE BILL 259.

SENATE BILL NO. 259: " AN ACT REESTABLISHING THE BOARD OF LIVESTOCK UNDER EXISTING STATUTORY AUTHORITY AND RULES...."

SENATOR JACOBSON introduced this bill and reviewed the proposed amendments to the committee.

After consideration, it was the opinion of the committee that SB 259 should be moved into agriculture.

The meeting closed on SB 259.

ROLL CALL

STATE ADMINISTRATION

COMMITTEE

47th LEGISLATIVE SESSION -- 1983

Date: 1/27/83

[illegible]

Each day attach to minutes.

DATE Jan. 27, 1983

COMMITTEE ON

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
20 Graham	Dept of Livestock	SB259		
Dean Switzer	House	SB259		
Robert Johnson	Teachers' Retirement	SB166	✓	
Pat Gutz	Mont Cowbells	SB259	✓	
Chris Johnson	Mont. Farmer Union	SB259	✓	
Will Brooke	MT Wedgowers / State Caring District	SB259	✓	
Julie Fortender	AGUM	SB166	✓	
Sandy Mendinger	LWVMT	SB235	✓	
Joel Hardy	Montana Colleges	SB166	✓	
Tom Hart	Missoula County	SB230	✓	
MS KAVIS	LWVMT	SB259		X
Bill Corrine	Clerks & Records	SB230	✓	
Don Judge	MT STATE AFL-CIO	SB258		X
Neil Bushlow	Univ. of Montana	SB166	✓	
John Bryan	Montana Real Growers	SB259	✓	
Pat Fairbank	Montana Federation of Teachers	SB166	✓	
David Sexton	MEA	166	✓	
James E Dayton	MT University System	SB166	✓	
James W Cox	Chemistry, U of M	SB166		
Dennis Wagner	Students MSU		✓	
Wendy Torgin	MT Stockgrowers	259	✓	
Wendy Torgin	MTIFL	259	✓	
Patricia W. Brown	MT Team Buffalo	259	✓	
JOE LAMSON	MT. DEMOCRATIC PARTY	258		X

Statement of Intent
to Accompany
Senate Bill 166

This act permits a retiree under the Teachers' Retirement System to earn a greater amount of money without losing retirement benefits. Administration of the Teachers' Retirement System rests with the Retirement System's governing board as provided for in 2-15-1010. It is anticipated that the board will provide guidelines to the school districts and university units whose employees participate in the System to enable the districts and units to supply the board with the necessary information to administer the law. The actual computation of the normal increases and the dollar amount of the limit under subsection (2)(a) of 19-4-804 shall be done by the district or the institution. It is anticipated that this figure will be generally expressed either as a percentage figure or a fixed dollar figure for each year. However, it is possible that for a particular district or institution, a percentage may be appropriate for one year and a fixed dollar amount may be appropriate for a different year or even a mixture of percentage and fixed dollar amount may be appropriate for a particular year.

The new language in subsection (2)(a) is intended to permit the limit on earnings to rise as if the retiree had remained with the district or unit.

A REPRESENTATIVE CASE

EXHIBIT 1 - a
Jan. 27, 1983
State Administration

Full professor, age 58, has 30 years of service. His last three years of service are at 25, 27.5 and \$30,000.

Column I shows salary costs to the University for ten years (assuming 8% average raises) if he remains on the job. Column II shows the situation in which he chooses early retirement under the proposed plan and works one academic quarter per year. He creates an FTE vacancy which is filled at \$18,000 by new assistant professor. The assistant professor also received 8% increments during the following ten years.

<u>COLUMN I</u>		<u>COLUMN II</u>	
YEAR		<u>RETIREE</u>	<u>REPLACEMENT</u>
1	\$32,400	\$10,800	\$18,000
2	34,992	11,664	19,440
3	37,791	12,597	20,995
4	40,814	13,604	22,674
5	44,079	14,693	24,487
6	47,605	15,868	26,446
7	51,413	17,137	28,561
8	55,526	18,508	30,845
9	59,986	19,989	33,312
10	64,765	21,588	35,977
\$469,353		\$156,448	+ \$260,737
		\$417,185	

Cost to University System without a retirement

Cost to University System with a retireme

The Montana legislature is asked to pass an amendment (attached) to the Montana State Ad. statute which limits the post-retirement service of teachers in the State's Teachers Retirement System to which all elementary, secondary and college teachers belong. The amendment is endorsed by the State AFT, the Montana Education Association, the Regents of the University System and, last October, by the Teachers Retirement System ~~itself~~. *Board of Directors.*

The proposed amendment makes retirement less economically risky by enhancing compensation for the post-retirement service that will be allowed members without affecting the retirement benefits themselves. ~~Until now~~ Now post-retirement income within the State's educational institutions was limited to a fixed level of one-fourth of the average final compensation (an average of the members' highest consecutive three years earnings).

Few teachers had elected post-retirement service in the past and those who had taught after retirement became disenchanted quickly as the static and inequitable compensation for teaching an academic quarter was badly eroded each year by inflation. Post-retirement service, though professionally attractive, had been no insurance to a potential retiree of some long term security particularly since the Montana retirement benefit itself was fixed with no prospect of cost-of-living increases predicted. Worried professors were postponing retirement indefinitely as is the case nationwide.

The proposed amendment makes it possible for a retiree to teach an academic quarter (1/3 of the year) and to receive, appropriately, one-third of his or her average final compensation for such service. Further, the post-retirement salary would now be allowed to grow with general salary increases at the school or unit.

Montana University System faculty are clearly interested ~~since they know that at 8% annual salary increases, the new post-retirement service salary will, in the fourth year, exceed the retirement benefit itself and will continue to be a needed hedge against potential runaway inflation.~~

The University regents ~~were~~ *are* enthusiastic for two reasons:

First, the only flexibility in University planning possible is through vacated FTE lines and faculty reallocation is particularly critical this year with another frugal University System appropriation likely in spite of larger student enrollments, particularly in short-handed departments.

The University System needs to plan in response to changing demands. It's clear, however, that open faculty lines are the stuff of which plans are made.

Many academic departments are, at present, made up of tenured professors exclusively. No retrenchment, no flexibility, no additional faculty in needed specialties are possible until the retirement of present faculty occurs.

The problem is particularly apparent in those departments in which bright young researchers are needed to make graduate programs work with grant funds from outside Montana. The State has had many outstanding graduate degree programs operating largely on out-of-state money because of aggressive young PhD's who find support for their work from national grant sources. Never before were so many excellent young faculty available from the world's centers of learning to compete for research dollars as there are at this time. They can and must be hired to sustain these programs and to renew the University but this occurs only as a result of open faculty lines.

Second, the proposal means more faculty resources for less University dollars because invariably the retired full professor's post-retirement salary plus the salary of new assistant professor in the same or a different area is substantially less than the salary of the full professor who stays on full time (see attached numerical example.)

not to give me retirement money,

The Teachers Retirement System board, too, which had strongly resisted any legislative changes in the past which would lead to unfunded liability, endorsed the proposal because actuarial study predicted minimum impact on the retirement fund even if maximum numbers chose "early" retirement since the enhanced post-retirement money was, of course, paid by the State's educational institutions rather than from retirement funds. Retirement was finally being made more possible with virtually no cost to the Retirement System.

The promise of better education with the opening of tenure lines for some of the bright young faculty now available on the job market - all at lower University costs, makes the statute change popular in all quarters.

The amendment is in line with current regulations on post-retirement service in most western and mid-western universities.

South Dakota State Univ.

Wisconsin & Colorado

The amendment promises the same educational and budgetary advantages to Montana's public schools as it does to the University System as evidenced by its MEA and AFT endorsements.

not as immediate + apparent application

JWCox

A REPRESENTATIVE CASE

Full professor, age 58, has 30 years of service. His last three years of service are at 25, 27.5 and \$30,000.

Column I shows salary costs to the University for ten years (assuming 8% average raises) if he remains on the job. Column II shows the situation in which he chooses early retirement under the proposed plan and works one academic quarter per year. He creates an FTE vacancy which is filled at \$18,000 by new assistant professor. The assistant professor also received 8% increments during the following ten years.

<u>COLUMN I</u>		<u>COLUMN II</u>	
YEAR		<u>RETIREE</u>	<u>REPLACEMENT</u>
1	\$32,400	\$10,800	\$18,000
2	34,992	11,664	19,440
3	37,791	12,597	20,995
4	40,814	13,604	22,674
5	44,079	14,693	24,487
6	47,605	15,868	26,446
7	51,413	17,137	28,561
8	55,526	18,508	30,845
9	59,986	19,989	33,312
10	64,765	21,588	35,977
	\$469,353	\$156,448	+ \$260,737
		\$417,185	

Cost to University System without a retirement

Cost to University System with a retirement

SB BILL NO. 166

INTRODUCED BY Beck, Van Falkenburg, Boylan

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 19-4-804, MCA, TO INCREASE THE AMOUNT A RETIRED MEMBER OF THE TEACHERS' RETIREMENT SYSTEM MAY EARN, WITHOUT LOSS OF RETIREMENT BENEFITS, PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Amend 19-4-804:

19-4-804. Allowance for superannuation retirement.

(1) Upon superannuation retirement a member shall receive a retirement allowance consisting of a pension which, together with an annuity, provides a retirement allowance equal to one-sixtieth of his average final compensation multiplied by the number of years of creditable service.

(2) Any retired member may be employed as a part-time or substitute teacher in Montana and may earn, without loss of retirement benefits, the greater of an amount not to exceed the greater of:

(a) one-fourth one-third of his average final compensation plus normal annual salary increases for the school or university unit.

(b) and one-fourth one-third of the median of the average final compensation for members retired during the preceding fiscal year as determined by the retirement board.

Section 2. Effective and applicability dates. This act is effective upon passage and approval and applies to benefits received on or after July 1, 1983.

COLORADO STATE UNIVERSITY

Type of Program: Partial Retirement Program

Characteristics of Program:

Individual is permitted (to work up to 90 calendar days a year. Working any part of a day is considered as a full day worked. The employer's contribution which would otherwise be paid to the retirement system is paid to the faculty member as a salary increment. Salary increases on the same basis as colleagues employed full-time are available on a proportional basis. Salary during any one year is calculated at 50 percent of base salary for 9-month employees and 34.6% for 12 month employees. The tenure status of individuals is not affected by the period of partial employment.

Eligibility for the Program

Participation is limited to faculty members (academic faculty and administrators) who are eligible for immediate retirement under the Public Employees Retirement Act. Requirements for full retirement annuity include 30 years of service at minimum age 55, 20 years at age 60, or 5 years at age 65. Early retirement, with reduced annuity payments, is available with 20 years of service at minimum age 55 or 5 years at age 60.

Approvals Required for Participation

The approval of the governing board is required. Individual agreements are required.

Mandatory Retirement Age:

70

Date Program Established:

1977 or 1978

Authorization for the Program:

State Board of Agriculture

UNIVERSITY OF WISCONSIN SYSTEM

Type of Program: Partial Retirement Program

Characteristics of Program:

Individual is provided with part-time employment on a 0.50 FTE basis with the salary level for the part-time assignment calculated at 50% of the highest three prior salary years. The part-time employment may be performed in one term or any combination of terms within a calendar year. The limit is established by the retirement statute in the State of Wisconsin. There is no limit on the number of years of part-time employment, except that the approval of the Chancellor is required for part-time employment beyond age 70. Medical and life insurance are continued with the life insurance calculated on the reduced salary rate and age.

Eligibility for the Program:

None

Approvals Required for Participation:

Information not available

Mandatory Retirement Age:

70

Date Program Established:

The program has been available on an information basis for a number of years and was codified in 1981

Authorization for the Program:

State statute

NAME: Terry Lynn Minow DATE: 1-27-83

ADDRESS: Box 513, Boulder, MT

PHONE: 225-4397

REPRESENTING WHOM? Montana Federation of Teachers

APPEARING ON WHICH PROPOSAL: SB 166

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

NAME: Neil Bucklew DATE: 1/27/83

ADDRESS: 1325 Gerald Ave ; Missoula, MT.

PHONE: 243-2311

REPRESENTING WHOM? Univ. of Montana

APPEARING ON WHICH PROPOSAL: SB 166

DO YOU: SUPPORT? yes AMEND? _____ OPPOSE? _____

COMMENTS: _____

January 27, 1983
State AdministrationNAME: Charles Bryan DATE: 1-27ADDRESS: 145 E Beckwith - MissoulaPHONE: 243-5311REPRESENTING WHOM? University Teacher Union: AFT Local 119APPEARING ON WHICH PROPOSAL: 166DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐COMMENTS: This bill benefits the school systems and the teachersat no substantial cost to anyone. It comes with the complete supportof the membership of the above named organization

OFFICE OF THE ASSOCIATED STUDENTS



01/27/83

MR. Chairman, Committee Members,

My name is Dennis Wagner, and I represent the Associated Students of Montana State University. We would like to go on record as supporters of SB 166. Students believe SB 166 to be a good bill for a number of reasons;

- 1) Retirement, under the current system, is often such a financial uncertainty, that faculty put off retirement for as long as possible. This makes it difficult for students to receive instruction in needed specialty areas, unless some of those professors retire.
- 2) Retired professors would also find it more attractive to return to teaching for one quarter each year. This would allow the University greater flexibility in hiring retired faculty, and students would gain the benefit of a broader based and more comprehensive range of instruction.
- 3) There are many trained, young, minds available to fill faculty positions as tenured lines open. Students need and appreciate dynamic and fresh academic instruction.

Lastly, and in summary, I would point out that the current system discourages retired faculty from working. Why should we promote a system with incentives counter to personal employment and productivity? I reiterate student support for Senate Bill 166.

Dennis Wagner

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

February 10, 1983

The twenty-eighth meeting of the Senate State Administration Committee was called to order by Chairman, Senator Pete Story on February 10, 1983 at 10:30 a.m. in Room 331 of the State Capitol in Helena, Montana.

ROLL CALL: All members were present but Senator Stimatz who was excused.

The meeting was called into EXECUTIVE SESSION:

ACTION ON SENATE BILL 166: (re: retired professors)

SENATOR MARBUT MOVED THAT S.B.166 DO PASS.

There was, again, a tie vote. Senators Marbut, Manning and Towe voted aye and Senators Hammond, Tveit and Story voted nay. IT WAS DECIDED TO WAIT UNTIL SENATOR STIMATZ WERE PRESENT TO VOTE AGAIN. NO ACTION AT THIS TIME.

ACTION ON SENATE BILL 314: (re: transfer of retirement credits)

SENATOR HAMMOND MOVED THAT S.B.314 DO PASS.
MOTION PASSED UNANIMOUSLY.

ACTION ON SENATE BILL 320: (re: increase max. amt. disability pen.)

SENATOR TVEIT MOVED SENATE BILL 320 DO PASS.
MOTION PASSED UNANIMOUSLY.

ACTION ON SENATE BILL 324: (re: youth treatment center)

DISCUSSION BY THE COMMITTEE:

There was a concern regarding the dangerous and extreme child. Curt Chisholm of the Department of Institutions, stated that they have other places they have put these types of children. He also stated that the reason for the age cut was because they felt they do need intervention. Children younger than 12 can usually be handled by the family. Question was asked regarding immediate action when necessary and Mr. Chisholm stated that they do have the authority to do something immediately as far as protective custody. This was in answer to Senator Story's questions.

Senator Towe said that anytime a child threatens or does a dangerous act the law enforcement contacts mental health professionals and they contact the county attorney and a petition is filed for committment. They then put the child into a psychiatric ward and if one is not immediately available they would put him in jail until they could transport him to one

ROLL CALL

STATE ADMINISTRATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 2/10/83

				SENATE SEAT #
NAME	PRESENT	ABSENT	EXCUSED	
SENATOR PETE STORY, Chairman	X			45
SENATOR H. W. HAMMOND, Vice Ch	X			34
SENATOR REED MARBUT	X			44
SENATOR LARRY TVEIT	X			33
SENATOR R. MANNING	X			48
SENATOR LAWRENCE STIMATZ			X	7
SENATOR THOMAS TOWE	X			26

Each day attach to minutes.

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

February 11, 1983

The twenty-ninth meeting of the Senate State Administration Committee was called to order by Senator Pete Story, Chairman, on February 11, 1983 at 10:30 a.m. in Room 331 of the State Capitol Building, Helena, Montana.

ROLL CALL: Roll call was taken and all members were present.

EXECUTIVE SESSION:

ACTION ON SENATE BILL 166:

SENATOR HAMMOND MOVED S.B.166 DO NOT PASS.

SENATOR MARBUT made a SUBSTITUTE MOTION that S.B.166 DO PASS.
MOTION PASSED. Roll call vote, EXHIBIT 1.

Dave Cogley, staff attorney questioned the statement of intent that was sent with the bill stating that he did not believe it to be necessary.

SENATOR TOWE MOVED a letter to the department that would show the intent.

NO ACTION WAS TAKEN.

ACTION ON SENATE BILL 40:

Amendments to this bill were presented as EXHIBIT 2 by Senator Story.

Senator Story said that he went to Mona Jamison of the Governor's office to see what he would get a veto on. The effect of her position is that the present statutes are unconstitutional so why fix them up. She is not interested in this bill in any case. However, he stated, what we have done is this; the first section is based upon an affirmative request that at least five members of the committee and an open meeting. Now if there were five people show up, say two democrates and three republicans, it would only take three and it could be three republicans to make a request. With this bill one member of the opposite party has to be involved in making the request.

The second amendment starts on line 18, page 3. This whole bill is because of the department of heath economic impact statement. This dealt with Ambient Air rules and there was one section where the Anaconda Company said that we don't know if we can comply with Ambient Air standards and we will have to consider down if these standards were adopted. They did not know if they were trying to get by easy or mean exactly what they said or if

EXHIBIT I
State Admin.
2/11/83

Date 2/11/83 Senate Bill No. 166 Time

NAME	DO PASS	
	YES	NO
SENATOR H.W. HAMMOND		X
SENATOR REED MARBUT	X	
SENATOR LARRY TVEIT		X
SENATOR R. MANNING	X	
SENATOR LAWRENCE STIMATZ	X	
SENATOR THOMAS TOWE	X	
SENATOR PETE STORY		X

Pete Story
Chairman SENATOR PETE STORY

Motion: _____

- 16 -

ROLL CALL

STATE ADMINISTRATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 2/11/83

SENATE
SEAT #

[illegible]

Each day attach to minutes.

STANDING COMMITTEE REPORT

..... 19

MR. PRESIDENT

We, your committee on STATE ADMINISTRATION

having had under consideration SENATE

Bill No. 166

Respectfully report as follows: That SENATE

Bill No. 166

DO PASS

J. C.

THERE BEING NO ADDITIONAL QUESTIONS FROM THE COMMITTEE MEMBERS CHAIRMAN BRAND CLOSED ON SENATE BILL 314.

SENATE BILL 166

SENATOR DOROTHY ECK, sponsor of the bill gave an opening statement. This bill also deals with retirement for the retired members of the Teacher's Retirement System. The way the law reads now those teachers may teach one-fourth time and still receive their retirement benefits. Their pay is based on their last year of teaching. That pay does not increase while other members of the teaching core are getting regular increases. We have a number of people here to testify as to the benefits this would provide for the teacher and for the system as well as the students. This bill was proposed to me and to others throughout the system by Jim Cox, Professor of Chemistry at the University of Montana.

PROPONENTS

JIM COX, University of Montana, spoke as a proponent to Senate Bill 166 and he passed out copies of his testimony, see EXHIBIT A attached.

BOB JOHNSON, Teacher's Retirement System, spoke as a proponent and said that the Teacher's Retirement Board would like to go on record as being in support of this measure. We have been assured by our actuary that there would be no measurable cost to the system.

JIM MCGARVEY, Montana Federation of Teachers, AFT, AFL-CIO, spoke in support of the bill and he supplied the committee with written testimony, see attached EXHIBIT B.

NEIL BUCKLAN, President, University of Montana, spoke in support of the bill. He mentioned that his five colleague President's have reviewed the bill and endorse it as well as the Board of Regent's. This program provides flexibility from an administrative perspective. Financially and flexibility for the academic programs so that we can encourage partial retirement in the ability to have some vacancies that we can use for both financial purposes and also for changing curriculum. It is a fair arrangement for the partially retired faculty. The cost is something to be borne by the universities and the school systems involved. We believe this to be a fair and appropriate cost. It does not have any noted impact on the retirement system.

DENNIS WAGNER, Associated Students of Montana State University spoke in support of this bill. He said that the students need fresh ideas and this would enable this to happen. He mentioned that he agreed with most of what had already been said by the other proponents. See EXHIBIT C attached.

CARROLL KRAUSE, Deputy Commissioner for Academic Affairs, The Montana University System spoke in support of the bill. He supplied a written testimony, see attached EXHIBIT D.

JULIE VOSFENDER, Associated Students University of Montana, spoke in support of the bill. It gives the older teachers the opportunity to retire and yet remain on staff for that one quarter per year so that we the students can receive their expertise.

GERALD HARDY, representing the students from the four Montana Colleges, spoke in support of the bill.

FRED MONDAY, University of Montana, spoke as supporter of this bill. He said that he is an unten-yearred professor of Anthropology. He mentioned that with the early retirement of present teachers and professors it enables the younger newer teachers to begin their carreers and along with the new teachers usually come additional funds and research money, possibly even indirect trusts. Which in many cases would cover a large portion of the faculty salary.

THERE WERE NO ADDITIONAL PROPONENTS TO THIS BILL AND NO OPPONENTS TO SENATE BILL 166, CHAIRMAN BRAND ASKED SENATOR ECK TO CLOSE.

Senator Eck gave a closing statement. She said that there had not been any mention of the fact that this also applies to public school teachers. I don't think that it will be used as much in that area but there will be some use I am sure.

She mentioned that she did have some testimony from Vick McCoggan from Montana State University who wanted to be here to testify but he was out of the country. He was concerned about the declining enrollment in the Butte schools. They make three points: one being, that any reduction in force should be done in the most humane way possible; secondly the way of the reduction in force is handled is going to effect the morale of those who are left teaching; and third (most important) the way that it is handled will have a considerable impact on the economy of the Butte community. Example, if the most junior people are released from service, most of them would probably leave the community. However, the results of this bill would enable the community to handle the situation differently, therefore leaving all the persons involved remaining in the community.

COMMITTEE QUESTIONS

REPRESENTATIVE GLENN MUELLER asked Mr. Bob Johnson about the actuary figures. He felt that there was some problems with this. Mr. Johnson replied that they felt that the impact would be on the University system.

Representative Mueller then replied, in other words the actuary is saying that there is some cost for this but it would be very little compared to the amount of people in the system. Mr. Johnson replied that this was correct.

Representative Mueller asked if there had been any dollar amounts indicated. Mr. Johnson said that the actuary had mentioned in his letter that everyone who were under 62 years of age and had 30 thirty years of service. If all of the people that were in the system and eligible for this were to take advantage of it there would be an additional cost increase of .152 percent of salary. The likelihood of that happening is next to impossible.

CHAIRMAN JOE BRAND asked about what would happen if the retirement age were reduced to 25 years of service, what impact would this change have then. Mr. Johnson said that this would not have any effect. Senator Eck responded to this question, she had talked to Representative Nordvedt about this and he figured that it could very well have a possitive impact on the system.

REPRESENTATIVE BILL HAND asked Neil Bucklan if the cost would be picked up by the University system. Mr. Bucklan replied, yes, the effect is not to change the retirement contribution that anyone receives. The only change is to allow the University to now pay one-third time the persons salary verses one-fourth. We have always asked them to teach one-third but only paid them one-fourth because we have quarters at the University. It also allows the institution to move that partial salary at a rate that other salaries are being moved. Currently, it is locked in at the time of retirement. It is very negative for the person who is retiring now and would like to continue on a part-time basis. We are willing to take on that kind of cost because we think that it is fair and we think that it will open up flexibility that will have trade offs that we can handle.

Representative Hand replied, nevertheless it will be public dollars that will pay this, correct? Mr. Bucklan answered, yes, but remember what savings we may have on this system. This is a very likely possibility. We may use that two-thirds savings to hire a new person.

REPRESENTATIVE WALTER SALES asked Bob Johnson, what happens when the University decides to hire one of these retired professors on a part-time basis. When he does come back to work on that part-time basis do the employer and employee contributions continue? Mr. Johnson replied, No, they do not.

REPRESENTATIVE CLYDE SMITH asked Senator Eck, about the bill that is being held by the committee which would allow the teachers to retire at 25 years rather than 30 years, isn't this a conflict. Senator Eck replied that this would not be in conflict, as a matter of fact she felt that the two bills would work quite well

together.

CHAIRMAN JOE BRAND asked Senator Eck, this bill does not have a limit of what the one-third is going to be does it. Couldn't this be a large amount of money? Senator Eck replied that this was correct. In fact it would be a substantial amount of money in most cases.

Chairman Brand asked if the longevity increase and cost of living increases would be deducted from their pension. Senator Eck replied that they would not.

Chairman Brand asked how many are picking up on the University system right now under the one-fourth. Mr. Bucklan replied that he could only speak for the University of Montana and they probably currently have 32 faculty who are 65 or older and it would be fair to assume that most of those people are eligible for retirement now. If you were to go down to the 60 years of age level we would be talking closer to 70 faculty members. Many of those people would be eligible but many of them would not choose to do this. It is not an attractive program under the current arrangement.

Chairman Brand asked how many people Mr. Bucklan thought would take advantage of this under this system if it they won't retire now. Mr. Bucklan said that he has talked to 12-15 people who are fully eligible to retire and under this kind of program would give it serious consideration.

Chairman Brand asked Mr. Bucklan about getting younger professors on board in the system, what is the average age of the professors now? Mr. Bucklan said that it would be in the mid 40's. Chairman Brand then asked Mr. Bucklan and Mr. Krause to leave a break-down of the ages of the professors at both universities for the committee members to review.

Mr. McGarvey said that the local school teachers support this concept very much and they would also be in favor of the early retirement even though most of this discussion has been around the universities in the state.

THERE BEING NO ADDITIONAL QUESTIONS FROM THE MEMBERS OF THE COMMITTEE CHAIRMAN BRAND CLOSED ON SENATE BILL 166.

SENATE BILL 436

SENATOR CHET BLAYLOCK, sponsor of Senate Bill 436 gave an opening statement mentioning that this bill is very controversial and it is the re-establishment of the Public Service Commission after the Sunset Audit. A lot of people have questioned things because there are alot of changes in this bill from the way the law was, as there is after any legislative audit. It is the duty of the

Audit Committee. The money that is generated does not go to the Commission, it goes to the general fund. It is not earmarked revenue.

Senator Blaylock said that this was a directive from the Legislative Audit Committee not the decision of the PSC to include this portion into the bill. He mentioned that the truck fees might be a little high and maybe they should be brought down, but the truckers said that they weren't going to protest the fees. The way it is written, they could raise the fees but they could also lower the fees. It goes both ways.

REPRESENTATIVE PAUL PISTORIA asked Senator Blaylock why this bill was not split into several different bills rather than put into one large bill. Senator Blaylock said that we are suppose to modify these bills and sometimes we don't know what is going on when you have alot of small ones to deal with. This way we can look at the whole picture and decide what to do with it.

CHAIRMAN JOE BRAND asked if House Bill 186 was killed in the Senate could we take a portion of that bill and put it in this bill. Senator Blaylock replied that this could be done.

JOHN ALKE, Montana Dakota Utilities said that one thing should be pointed out regarding this review process. This was not simply a sunset review. If you recall in the 1981 session, SJR 27 directed the Legislative Auditor to take an indept study which went far beyond the normal sunset reviews. It is hard to draw a parallel between what happened with this bill and another.

REPRESENTATIVE PISTORIA said that he thought the Public Service Commission was established by the Montana State Constitution, how can you sunset this? It was not set by the State Constitution. Chairman Brand said that the Consumer Counsel is but not the Public Service Commission.

THERE BEING NO ADDITIONAL QUESTIONS CHAIRMAN BRAND CLOSED ON SENATE BILL 436.

EXECUTIVE SESSION

SENATE BILL 166 was put into the same sub-committee as Senate Bill 378 and will be considered next week.

REPRESENTATIVE CHESTER SOLBERG MOVED the meeting be ADJOURNED and this was seconded by Representative Glenn Mueller. Motion carried by unanimous voice vote.

The meeting adjourned at 11:43 a.m.

Respectfully submitted,


REPRESENTATIVE JOE BRAND, CHAIRMAN

VISITORS' REGISTER

HOUSE State Administration COMMITTEEBILL SB 166Date 3/14

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
<i>Witt Kunkel</i>	<i>Helena</i>	<i>Montana Federation of Teachers</i>	X	
<i>Joel Hardy</i>	<i>Helena</i>	<i>Mont. Colleges</i>	X	
<i>Robert Johnson</i>	<i>Helena</i>	<i>Teachers' Retirement</i>	X	
<i>Neil Bucklew</i>	<i>Missoula</i>	<i>U of M</i>	✓	
<i>Charles Bryn</i>	<i>Missoula</i>	<i>UTU - U of M</i>	✓	
<i>C. Arnold Kuen</i>	<i>Helena</i>	<i>MT. Univ. System</i>	✓	
<i>Dennis Wagner</i>	<i>Bozeman</i>	<i>Students of MSU</i>	X	
<i>Jim Miley</i>	<i>Helena</i>	<i>Mont. Fed Teachers</i>	X	
<i>Lang Mingo</i>	<i>Boulder</i>	<i>MT. Fed of Teachers</i>	X	
<i>W. Cox</i>	<i>Missoula</i>	<i>U of M</i>	X	
<i>A. Stanley</i>	<i>MT. Univ. System</i>	<i>Helena</i>		
<i>Jeanne Sauvigny</i>	<i>Missoula</i>	<i>Associated Students UM</i>	X	
<i>Monte Koch</i>	"	<i>U of M</i>	X	
<i>James W. Long</i>	<i>Helena</i>	<i>School Adm of MT</i>	X	
<i>W. S. Sifton</i>	<i>Helena</i>	<i>MRA</i>	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STATEMENT TO THE HOUSE COMMITTEE ON STATE ADMINISTRATION

14 November 1983

We ask the House Committee to vote favorably on Senate Bill 166 and to recommend its passage because it is legislation that addresses one of Montana education's most persistent problems--how--without abrogating tenure laws--to provide for faculty turnover in times of retrenchment, changing student demands and need for curriculum flexibility in our schools and colleges. The problem has become aggravated in recent years as worries about inflation and long-range security cause teachers to stay on the jobs longer and longer, particularly when the law now makes it possible to work full-time to age 70 and beyond.

By enhancing the desirability of partial retirement, Senate Bill 166, we believe, will provide a dignified and productive option for faculty and for the school to utilize their best services part-time at a fair and equitable salary. We believe it will increase retirements appreciably.

The bill will accomplish this in a way, amazingly enough, in which everyone profits--there are no losers.

The faculty member has partial retirement as a real option. In the past, under the current statute, post-retirement service was not a real inducement to retire because the fixed post-retirement salary decreased in ~~percentage~~ *buying* power dramatically each year the teacher served (see attachment). Then, too, in the University System one was asked to work one-third of the year for one-fourth salary. Post-retirement service, in the past, has really not been very attractive.

The administrators would be helped greatly by SB 166. They desperately need open faculty lines for reallocation, particularly during budget stress.

The Teacher's Retirement System is favorable. If its fundamental purpose--to attract and hold good teachers--is to be served it must be able to provide attractive retirement plans. The retirement benefits themselves are being eroded by inflation and yet they have little chance of being tied to the cost of living. The unfunded liability involved would be too great. Here in SB 166, however, we have a very real retirement benefit--the option to work for one-third year as we now do but for the same pay as the non-retiree would receive for the same service--at minimal or zero cost to TRS since the salaries are paid by the school units.

The tax payer would benefit. All calculations show that the retiree's 1/3 salary plus that of his replacement is less than the full year salary of the senior faculty member who decides he cannot or will not retire. The net result is 1.33 times the faculty lines for about 7/8 the present cost.

Lastly, the students who really should be our first consideration, will profit greatly. Popular curriculum areas may soon be adequately staffed. Aggressive young teachers and researchers from America's best Universities of

the sort now available in the academic marketplace, can be hired with their fresh perspectives and ability to compete for the outside research dollars that keep alive our state's graduate programs at such low cost to the State.

We see in Senate Bill 166, then, the prospect of better education but at lower costs. We can do this by simply providing equitable salaries for teachers who elect partial retirement.

We hope that the House of Representatives will look just as favorably on this bill as the Senate did.

Thank you.

James W. Cox

PRESENT SITUATION (FINAL SALARY \$30,000)

TYPICAL INFLATION EFFECT ON

POST-RETIREMENT SALARY

10% INFLATION

REAL DOLLARS

YEAR ONE	\$ 6875	----- { PROFESSOR X WAS MAKING \$10,000 PER ACADEMIC QUARTER FOUR YEARS AGO.
YEAR TWO	\$ 6188	
YEAR THREE	\$ 5569	
YEAR FOUR	\$ 5012	
YEAR FIVE	\$ 4511	
YEAR SIX	\$ 4060	
YEAR SEVEN	\$ 3654	
YEAR EIGHT	\$ 3289	
YEAR NINE	\$ 2961	
YEAR TEN	\$ 2665	

PROPOSED MODEL (FINAL SALARY \$30,000)

A REPRESENTATIVE CASE

COLUMN I

COLUMN II

		<u>RETIREE</u>	<u>REPLACEMENT</u>
YEAR 1	\$ 32,400	\$ 10,800	\$ 18,000
2	34,992	11,664	19,440
3	37,791	12,597	20,995
4	40,814	13,604	22,674
5	44,079	14,693	24,487
6	47,605	15,868	26,446
7	51,413	17,137	28,561
8	55,526	18,508	30,845
9	59,968	19,989	33,312
10	64,765	21,588	35,977

\$469,353

\$156,448 + \$260,737

\$417,185

Teacher does not
retire

Teacher retires to
1/3 salary



MONTANA FEDERATION OF TEACHERS

AMERICAN FEDERATION OF TEACHERS

AFL-CIO

P.O. Box 1246

Helena, Montana 59624

(406) 442-2123



TESTIMONY OF JIM MCGARVEY, MONTANA FEDERATION OF TEACHERS, AFT, AFL-CIO, PRESENTED TO THE STATE ADMINISTRATION COMMITTEE OF THE MONTANA HOUSE OF REPRESENTATIVES IN SUPPORT OF SENATE BILL 166 ON MONDAY, MARCH 14, 1983.

Mr. Chairman and Members of the Committee:

I am writing to ask your support of Senate Bill 166. Let me call your attention to the major features of this legislation.

Under SB 166, any teacher in the State who is a member of the Teachers' Retirement System could collect the benefits to which he or she is entitled to under the retirement formula and still be permitted to work up to one third time as a teacher. The salary paid for this one third time post retirement service would be permitted to rise at the same rate as the salaries of the regular full time staff. SB 166 in no way compels schools to offer such employment to retirees.

SB 166 amends the current law on post retirement service in two small but important ways. First, under current law, post retirement service cannot exceed one quarter time. Second, as it now stands, post retirement salary cannot increase during the period of service. Obviously, the effect of SB 166 will be to ease the burden of retirement for teachers. It will allow them to earn a little more than they now can and what they can earn will be at least in part protected from the risk of inflation. SB 166 will therefore encourage retirement.

Why should retirement be encouraged? Simply because in the current period of declining enrollments, retirement is one of the most constructive and least disruptive ways of reducing the number of teachers in our schools and saving teaching dollars. By retaining older teachers part time we can take advantage of their experience and expertise. We can offer them the opportunity to continue to work at a level with which they are comfortable and productive. And we can reduce total teaching positions and costs.

In those situations where the position of a retiring teacher is to be filled by a newcomer, we can usually pay the full salary of the new teacher plus the one third salary of the retiree and still spend less than we would have had the retiring teacher continued to work full time. In other words we will fund one and one third teaching positions with fewer salary dollars than we previously spent on one position alone. Right now post retirement service is not wide spread in Montana outside the University system. Nationally, however, the American Federation of Teachers locals have negotiated for a variety of inducements to promote earlier retirement.



THE MONTANA UNIVERSITY SYSTEM

33 SOUTH LAST CHANCE GULCH
HELENA, MONTANA 59620-2602

(406) 449-3024

March 14, 1983

COMMISSIONER OF HIGHER EDUCATION

TO: Representative Joe Brand, Chairman
House State Administration Committee

FROM: Carrol Krause *CK*
Deputy Commissioner for Academic Affairs

SUBJECT: Average Faculty Age -- Montana University System

As per your request, during the committee hearing on SB166, the average age of full-time faculty in the various units of the Montana University System has been identified. The averages are as follows:

Montana State University	44
University of Montana	45
Eastern Montana College	45
Montana Tech	46
Northern Montana College	49
Western Montana College	45
Systemwide average	45

Although I do not have an age distribution for all campuses, the distribution for the University of Montana will serve as a representative example:

Faculty	Percent
Over age 55	15
46 to 55	27
36 to 45	42
26 to 35	16

If you should need additional information please do not hesitate to contact me

CK/lw

cc: Senator Eck

WITNESS STATEMENT

Name Joel Hardy Committee On St Admin
Address 520 N Benton Helena Date 3/14/83
Representing Montana Colleges Support X
Bill No. SB 166 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. SB 166 provides a means to inject new teachers into the faculty.

2. It allows for the "Best of Both Worlds" retaining experienced instructors.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

ASMSU

03/14/83

To: The House Committee on State Administration

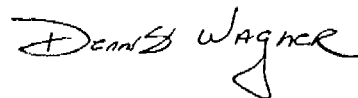
Mr. Chairman, Committee Members,

My name is Dennis Wagner, and I represent the Associated Students of Montana State University. We would like to go on record as supporters of SB 166. Students believe SB 166 to be a good bill for a number of reasons;

- 1) Retirement, under the current system is often such a financial uncertainty, that faculty put off retirement for as long as possible. This makes it difficult for students to receive instruction in needed specialty areas, unless some of those professors retire.
- 2) Retired professors would also find it more attractive to return to teaching for one quarter each year. This would allow the University greater flexibility in hiring experienced retired faculty, and students would gain the benefit of a broader based and more comprehensive range of instruction.
- 3) There are many trained, young, minds available to fill faculty positions as tenured faculty retire. Students need and appreciate dynamic and fresh academic instruction.

Lastly, and in summary, I would point out that the current system discourages retired faculty from working. I urge your support of a measure that is advantageous to students, faculty, and administration, at little or no cost to the state.

Thank-you



DENNIS WAGNER
ASMSU Lobbyist

Some legislators have expressed the concern that promoting earlier retirement will change the balance between the teachers contributing to the TRS and those receiving benefits. It is important to realize that individuals who retire early receive lower benefits. After thoroughly examining the implications of SB 166, the TRS Board has concluded that the plan is actuarially sound and supports this legislation.

We believe that SB 166 is good for both teachers and school systems. We ask for your support.

The question being called, the motion carried with Representatives McCormick, and Pistoria voting no.

Senate Bill 378 as passed out of committee this date AS AMENDED BE CONCURRED IN. The bill will be carried on the House floor by Representative Jerry Driscoll.

SENATE BILL 166

REPRESENTATIVE JOE HAMMOND MOVED that the committee accept the amendments before them and this was seconded by Representative Bill Hand. The question being called the motion carried unanimously.

REPRESENTATIVE JOE HAMMOND MOVED Senate Bill 166 AS AMENDED BE CONCURRED IN, this was seconded by Representative Francis Koehnke.

CHAIRMAN JOE BRAND was concerned about Senator Eudaily's example of costs that had been presented to the sub-committee. Representative Driscoll explained that the sub-committee had rejected this.

REPRESENTATIVE BILL HAND explained that this did not look like it would be a problem and the other people that were present at the meeting said the same thing. Representative Driscoll explained the retrenchment for the professors.

REPRESENTATIVE CHESTER SOLBERG mentioned that this could mean a lot of retired teachers working together.

The question being called, the motion carried with Representative Solberg voting no.

SENATE BILL 429

MS. MENZIES explained that the only amendment was a drafting error.

REPRESENTATIVE JERRY DRISCOLL MOVED that the amendment be accepted as drafted and this was seconded by Representative Francis Koehnke. The question being called, the motion carried.

REPRESENTATIVE JERRY DRISCOLL MOVED AS AMENDED BE CONCURRED IN, this was seconded by Representative Helen O'Connell.

CHAIRMAN JOE BRAND explained that this would go to Appropriations any way.

REPRESENTATIVE WALTER SALES mentioned that he would be voting against this bill because of the money being taken out of the general fund. These cities incurred unfunded liabilities when they entered the system and they are being excused under this bill.

REPRESENTATIVE JERRY DRISCOLL said that maybe the Appropriations

STANDING COMMITTEE REPORT

March 23

19 83

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration SENATE Bill No. 166

third reading copy (blue
~~XXXX~~ ~~XXXXXX~~ color)

"AN ACT AMENDING SECTION 19-4-804, MCA, TO INCREASE THE AMOUNT A
RETIRED MEMBER OF THE TEACHERS' RETIREMENT SYSTEM MAY EARN WITHOUT
LOSS OF RETIREMENT BENEFITS; AND PROVIDING AN IMMEDIATE EFFECTIVE
DATE AND AN APPLICABILITY DATE."

Respectfully report as follows: That SENATE Bill No. 166

1. Title, line 7.
Strike: "IMMEDIATE"

2. Title, line 8.
Strike: "AND AN APPLICABILITY DATE"

3. Page 1, line 24.
Following: "for"
Insert: "teaching personnel employed by"
Following: "school"
Insert: "district, state agency, political subdivision."

4. Page 2, lines 4 and 5.
Strike: section 2 in its entirety
Renumber: subsequent section

5. Page 2, line 7.
Strike: "on passage and approval"
Insert: "July 1, 1983"

DO PASS

AND AS AMENDED BE CONCURRED IN

REP. JOE BRAND, Chairman.

SUBCOMMITTEE AMENDMENTS TO SB 166

1. Title, line 7.

Strike: "IMMEDIATE"

2. Title, line 8.

Strike: "AND AN APPLICABILITY DATE"

3. Page 1, line 24.

Following: "for"

Insert: "teaching personnel employed by"

Following: "school"

Insert: "district, state agency, political subdivision,"

4. Page 2, lines 4 and 5.

Strike: section 2 in its entity

Re-number: subsequent section

5. Page 2, line 7.

Strike: "on passage and approval"

Insert: "July 1, 1983"

SUBCOMMITTEE AMENDMENTS TO SB 378

1. Page 5.

Following: line 13

Insert: "NEW SECTION. Section 5. Effective date. This
act is effective July 1, 1983.

SUBCOMMITTEE AMENDMENTS TO SB 166

1. Title, line 7.

Strike: "IMMEDIATE"

2. Title, line 8.

Strike: "AND AN APPLICABILITY DATE"

3. Page 1, line 24.

Following: "for"

Insert: "teaching personnel employed by"

Following: "school"

Insert: "district, state agency, political subdivision,"

4. Page 2, lines 4 and 5.

Strike: section 2 in its entity

Renumber: subsequent section

5. Page 2, line 7.

Strike: "on passage and approval"

Insert: "July 1, 1983"

SUBCOMMITTEE AMENDMENTS TO SB 378

1. Page 5.

Following: line 13

Insert: "NEW SECTION. Section 5. Effective date. This
act is effective July 1, 1983.